

THIRD AMENDMENT TO WORKFORCE INVESTMENT ACT CONTRACT BETWEEN
THE CITY OF DURHAM AND GENERAL MANAGEMENT SOLUTIONS, INC. (GMSI)
OF VIRGINIA BEACH, VA

This contract ("Third Amendment") is made and entered into as of the 1st day of May, 2012, between the City of Durham, a municipal corporation ("City") and General Management Solutions, Inc. ("Contractor"), a corporation organized and existing under the laws of Virginia.

The City and the Contractor entered into a contract titled "Workforce Investment Act Contract Between the City of Durham and General Management Solutions, Inc. of Virginia Beach, VA" dated August 30, 2010. That contract is referred to as the "Original Contract."

The City and the Contractor entered into a first contract amendment titled "Workforce Investment Act Contract Amendment between the City of Durham and General Management Solutions, Inc. (GMSI)" dated May 1, 2011. That contract is referred to as the "First Contract Amendment." The First Contract Amendment added to the original scope of work and augmented the compensation under the Original Contract from \$825,000.00 to \$915,000.00.

The City and the Contractor entered into a 2nd contract amendment titled "Second Amendment to Workforce Investment Act Contract between the City of Durham and General Management Solutions, Inc. (GMSI)" dated October 1, 2011. That contract is referred to as the "Second Contract Amendment," and both extended the GMSI services for an additional year with modifications to the scope of work and compensation. The purpose of the Third Contract Amendment is to expand the services provided under "Second Contract Amendment" and amend the payment budget. The Original Contract is further amended as follows:

1. Delete Section 2. "Purpose/Program Narrative" of the Second Contract Amendment and replaced with the following:

Section 2, Purpose/Program Narrative Contractor shall perform the services and activities outlined in Attachment A of the Second Contract Amendment and Attachment A-1 of the Third Contract Amendment. Those services and activities are sometimes referred to in this contract as the "Scope of Work" or the "Deliverables". The Contractor shall begin performance of these services and activities on October 1, 2011. It shall complete those services and activities by September 30, 2012. This Contract may be renewed based upon performance and funding availability for a maximum of one additional year. At the end of this contract (year two), an evaluation will be made by the Office of Economic and Workforce Development (OEWD) to determine whether to recommend the final contract renewal, and to refer the recommendation to the Durham Workforce Development Board (DWDB) and the City Council prior to September 30, 2012.

2. Delete Section 3, Complete Work without Extra Cost of the Second Contract Amendment and replaced with the following:

Sec. 3. Complete Work without Extra Cost. Except to the extent otherwise specifically stated in this contract and in Attachment B of the Third Contract Amendment, the Contractor shall obtain and provide, without additional cost to the City, all labor, materials, equipment, transportation, facilities, services, permits, and licenses necessary to perform the Work.

3. Delete Section 4, “Payment under the Contract.” of the Second Contract Amendment and replaced with the following:

Section 4, “Payment under the Contract”. The City shall make payments on a cost reimbursement basis to the Contractor for services and activities described in Attachment A of the Second Contract Amendment and Attachment A-1 of the Third Contract Amendment, and within the budgeted line-items provided for in “Attachment B” of this Amendment in an amount not to exceed a contract value of \$1,920,227.00. Those payments shall be made by the City within 30 days of receipt of invoices for services received from the Contractor. No less often than monthly, the Contractor shall send invoices to the Workforce Development Administrator within the Office of Economic and Workforce Development, whose name and address shall be provided by the City. The City shall provide the Contractor with blank reporting forms referred to in this Contract, and Contractor agrees to use those forms and instructions.

Notwithstanding anything in the Contract which may be to the contrary, Contractor understands and agrees that any payment made under or in any way relating to this contract by the City is limited to the lesser of (i) funds made available for that purpose by the North Carolina Department of Commerce, Division of Workforce Solutions (DWS) under the grant referred to above, or a total maximum of the total contract amount of (ii) \$1,920,227.00. Payments shall be made on a cost reimbursement basis by the City only for services and activities listed in Attachment A of the “Second Contract Amendment” and Attachment A-1 of the Third Contract Amendment, and consistent with, and not exceeding, the budgeted line item amounts identified in Attachment B attached to this Amendment. Contractor performance will be reviewed on a monthly basis. Failure to reach the goals and objectives, and failure to carry out the services and activities as set out in Attachment A-1 of this Third Contract Amendment, Attachment A of the Second Contract Amendment, and Attachment B of this Amendment in a timely manner, will result in delay of payment to Contractor under this Contract and will be in breach of the Contract.

4. Delete Attachment A-1 of the Second Contract Amendment and replaced with “Attachment A-1 of the Third Contract Amendment- Amended May 2012”

5. Delete Attachment B of the Second Contract Amendment and replaced with “Attachment B – Amended May, 2012” attached to this Amendment.

IN TESTIMONY WHEREOF, the parties hereto have caused this Third Contract Amendment to be executed, as of the day and year first above written.

CITY OF DURHAM

ATTEST:

By:

PREAUDIT CERTIFICATE

General Management Solutions, INC.

By: _____

Title: _____
(Affix corporate seal.)

State of _____

ACKNOWLEDGMENT BY

GENERAL MANAGEMENT SOLUTIONS INC.

County of _____

I, a notary public in and for the aforesaid county and state, certify that

_____ personally appeared before me this
day and stated that he or she is (strike through the inapplicable:) chairperson/ president/ chief executive
officer/ vice-president/ assistant vice-president/ treasurer/ chief financial officer of GENERAL
MANAGEMENT SOLUTIONS, INC., a corporation organized and existing under the laws of Virginia,
and that by authority duly given and as the act of the corporation, he or she signed the foregoing contract
or agreement with the City of Durham and the corporate seal was affixed thereto. This the _____ day of
_____, 20____.

My commission expires:

Notary Public

Attachment A-1

Of the Third Amendment Contract

(Amended May 2012)

ATTACHMENT A-1

Second Contract Amendment

STATEMENT OF WORK

Durham Workforce Development Board

GENERAL MANAGEMENT SOLUTIONS, INC.

Background

In March 2012, the Office of Economic and Workforce Development received a notice from the NC Division of Workforce Development that the Durham Local area was awarded a grant in the amount of \$200,000 in On-the-Job Training (OJT) funds that were awarded to the DWDB to provide on-the-job training subsidies to help offset costs for Durham businesses to hire long-term unemployed participants of the WIA Adult and Dislocated Worker program. The total \$200,000.00 grant must be expended by June 30, 2012.

GMSI has been awarded \$190,000 of this grant under the Third Contract Amendment to support the OJT activities listed above. Services and performance outcomes that occur based upon OJT funded activities will be tracked separately from the WIA participants receiving employment and training services under the existing contract signed October 1, 2011 that is scheduled to end on September 30, 2012.

Deliverables

- Contractor shall serve between 25-50 individuals (depending on the amount of each subsidy that is contingent with the size of the company);
- As stipulated by the NC Department of Commerce Division of Workforce Solutions, the Contractor will target the following individuals to participate in under this OJT program:
 - a) Dislocated Workers who are enrolled in the WIA program and/or participants who are involved with the JobLink system - with specific recruitment of the chronically-long term unemployed as identified by the Durham JobLink. For the purposes of this contract, a “Chronically Unemployed” individual is defined as someone who has been laid –off and unemployed for 16-19 weeks or more;
 - b) Graduates of the local JobsNow program; and/or
 - c) A state employee who will be or was affected by the reduction in force notices and/or terminated from their positions as of June 30, 2011.
- Contractor will conduct an assessment of individual participant skill-sets in order to best determine viability of participant OJT placements;

- Contractor will develop OJT contracts and/or place WIA participants with private for-profit and not-for-profit businesses;
- Contractor will provide outreach to targeted businesses to match employers/industries based on skill sets that are identified through an assessment of prospective OJT participants;
- Contractor will track services and performance outcomes that occur based upon OJT funded activities listed herein separate from the WIA activities listed in Attachment A of the Second Contract Amendment;
- Contractor will establish separate accounting mechanisms to report and invoice for OJT activities listed herein;
- Contractor will adhere to the OJT (submitted to Contractor prior to the time of execution of this contract) policy submitted to and approved by the NC Department of Commerce Division of Workforce Solutions and will monitor all On-the-Job Training contracts for local, state and federal compliance;
- Contractor is required to provide a monitoring report on all On-the-Job projects that will include but is not limited to, number of project participants, number of project referrals, funds exhausted to date and will provide any other report that the DWDB may request within and agreed upon time period.

Attachment B

Of the Third Amendment Contract

(Amended May 2012)

Durham Program Budget PY 2011 - 2012

Agency Name: General Management Solutions, Inc. (GMSI)

Program Costs	Line Item Totals	AW Services 35%	DW Services 65%
Staff Salaries	\$ 285,822.00	\$ 100,037.70	\$ 185,784.30
Staff Fringe Benefits	\$ 67,746.00	\$ 23,711.10	\$ 44,034.90
Staff Travel, Training and Dev.	\$ 6,000.00	\$ 2,100.00	\$ 3,900.00
WEX	\$ 44,250.00	\$ 15,487.50	\$ 28,762.50
PPN	\$ -	\$ -	\$ -
Rental Space	\$ 15,000.00	\$ 5,250.00	\$ 9,750.00
Non-Expendable Property	\$ 9,500.00	\$ 3,325.00	\$ 6,175.00
OJT Formula	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
Communications	\$ 2,000.00	\$ 700.00	\$ 1,300.00
Supplies	\$ 3,500.00	\$ 1,225.00	\$ 2,275.00
Direct Training Costs	\$ 170,330.00	\$ 75,803.50	\$ 94,526.50
Child Care Costs	\$ 750.00	\$ 262.50	\$ 487.50
Participant Transportation Costs	\$ -	\$ -	\$ -
Other Participant Support Services	\$ 4,000.00	\$ 1,400.00	\$ 2,600.00
Subtotal Training/Support Costs	\$ 628,898.00	\$ 239,302	\$ 389,596

Administrative Costs	Line Item Totals	AW Services	DW Services
Staff Salaries	\$ 29,484	\$ 10,319	\$ 19,165
Staff Fringe Benefits	\$ 8,845	\$ 3,096	\$ 5,749
Subtotal Program Costs	\$ 38,329	\$ 13,415	\$ 24,914

Total Project Costs		Line Item Totals	AW Services	DW Services
Total Program Costs		\$ 667,227	\$ 252,717.45	\$ 414,510
Profit @ 8%		\$ 58,000	\$ 20,300.00	\$ 37,700
Total Program Costs		\$ 725,227	\$ 273,017	\$ 452,210

Federal Budget PY 2010 - 2011

Agency Name: General Management Solutions, Inc. (GMSI)

Program Costs	Line Item Totals	DW Services
Staff Salaries	\$ 15,000.00	\$ 15,000.00
Staff Fringe Benefits	\$ 4,500.00	\$ 4,500.00
OJT Federal	\$ 131,580.00	\$ 131,580.00
Subtotal Training/Support Costs	\$ 151,080.00	\$ 151,080

Total Project Costs	Line Item Totals	DW Services
Total Program Costs	\$ 151,080	\$ 151,080
Profit @ 8%	\$ 13,138	\$ 13,138
Total Program Costs**	\$ 164,218	\$ 164,218

Federal Budget PY 2011 - 2012

Agency Name: General Management Solutions, Inc. (GMSI)

07/01/2012 - 06/30/2013 (2nd Installment)

Program Costs	Line Item Totals	DW Services
*Staff Salaries	\$ 19,000.00	\$ 19,000.00
*Staff Fringe Benefits	\$ 5,700.00	\$ 5,700.00
OJT Federal	\$ 150,100.00	\$ 150,100.00
Subtotal Training/Suppport Costs	\$ 174,800.00	\$ 174,800

Total Project Costs	Line Item Totals	DW Services
Total Program Costs	\$ 174,800	\$ 174,800
Profit @ 8%	\$ 15,200	\$ 15,200
Total Program Costs**	\$ 190,000	\$ 190,000

* Includes 10% of Marschel Warren

* Includes Benefits

Durham WIA Program/Federal Total Budget PY 2011 - 2012

Agency Name: General Management Solutions, Inc. (GMSI)

Program Costs	Line Item Totals	AW Services	DW Services
Staff Salaries	\$ 319,822.00	\$ 111,937.70	\$ 207,884.30
Staff Fringe Benefits	\$ 77,946.00	\$ 27,281.10	\$ 50,664.90
Staff Trave, Training and Development	\$ 6,000.00	\$ 2,100.00	\$ 3,900.00
WEX	\$ 44,250.00	\$ 15,487.50	\$ 28,762.50
PPN	\$ -	\$ -	\$ -
Rental Space	\$ 15,000.00	\$ 5,250.00	\$ 9,750.00
Non-Expendable Property	\$ 9,500.00	\$ 3,325.00	\$ 6,175.00
OJT Formula	\$ 20,000.00	\$ 7,000.00	\$ 13,000.00
Communications	\$ 2,000.00	\$ 700.00	\$ 1,300.00
Supplies	\$ 3,500.00	\$ 1,225.00	\$ 2,275.00
Direct Training Costs	\$ 170,330.00	\$ 75,803.50	\$ 94,526.50
Child Care Costs	\$ 750.00	\$ 262.50	\$ 487.50
Participant Transportation Costs	\$ -	\$ -	\$ -
OJT Federal	\$ 281,680.00		\$ 281,680.00
Other Participant Support Services	\$ 4,000.00	\$ 1,400.00	\$ 2,600.00
Subtotal Training/Support Costs	\$ 954,778.00	\$ 251,772	\$ 703,006

Administrative Costs	Line Item Totals	AW Services	DW Services
Staff Salaries	\$ 29,484	\$ 10,319	\$ 19,165
Staff Fringe Benefits	\$ 8,845	\$ 3,096	\$ 5,749

Subtotal Program Costs	\$ 38,329	\$ 13,415	\$ 24,914
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Total Project Costs	Line Item Totals	AW Services	DW Services
Total Program Costs	\$ 993,107	\$ 265,187.45	\$ 727,920
Profit @ 8%	\$ 86,338	\$ 30,218.30	\$ 56,120
Total Program Costs**	\$ 1,079,445	\$ 295,406	\$ 784,039